



U.S. Department of Justice

*United States Attorney
Southern District of New York*

*The Silvio J. Mollo Building
One Saint Andrew's Plaza
New York, New York 10007*

January 4, 2023

BY ECF

Honorable Sidney H. Stein
United States District Judge
Southern District of New York
500 Pearl Street
New York, NY 10007

Re: *United States v. George Constantine et al.*, S1 21 Cr. 530 (SHS)

Dear Judge Stein:

Enclosed please find a victim impact statement on behalf of AmTrust Financial Services, Inc. ("Amtrust"). Amtrust has consented to the filing of the enclosed letter on the public docket.

Respectfully submitted,

DAMIAN WILLIAMS
United States Attorney

by: s/_____
Nicholas Folly
Assistant United States Attorney
(212) 637-1060

cc: All counsel of record (by ECF)



AmTrust North America
An AmTrust Financial Company

Mary Ellen Stallone RN CCM
Investigator, SIU
Claims Integrated Solutions
AmTrust Financial Services, Inc
PO Box 650872
Dallas, Tx 75265
631-465-1383

January 3, 2023

To: Hon. Sidney H. Stein
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St.
New York, NY 10007-1312

Re: USA v. Constantine et al 1:2021cr00530

USA v. Constantine Defendant 2 1:2021cr00530 (Elefant)

USA v. Constantine Defendant 3 1:2021cr00530 (Dowd)

USA v. Constantine Defendant 4 (Ribeiro)

USA v Kalkanis, et al. 1:2018cr00289

Your Honor,

My name is Mary Ellen Stallone, I am a medical fraud investigator with AmTrust Financial Services, Inc ("AmTrust"). I have been a medical fraud investigator for five years. AmTrust is an insurance holding company which includes insurance company subsidiaries that provide workers' compensation insurance to small and mid-sized businesses across the country. ¹ AmTrust, through its insurance company subsidiaries

¹ AmTrust's U.S. insurance company subsidiaries include, but are not limited to, Developers Surety and Indemnity Company, Heritage Indemnity Company, Security National Insurance Co., CorePoint Ins. Co., Wesco Insurance Co., AmTrust Insurance Co., ARI Insurance Co., Associated Industries Insurance Co., First Nonprofit Insurance Co., Technology Insurance Co., Republic Underwriters Insurance Company, Republic-Vanguard Insurance Co., Southern Underwriters Insurance Co., Republic Fire and Casualty Insurance Co., Southern Insurance Co., and Sequoia Insurance Co.



AmTrust North America
An AmTrust Financial Company

is a top-third provider of Workers' Compensation ("WC") insurance in the United States. I am writing to you on behalf of AmTrust as it is a victim of the insurance fraud detailed in the cases entitled US District Court Southern District of NY v. George Constantine, Marc Elefant, Andrew Dowd, Sady Ribeiro and the USA v. Peter Kalkanis. AmTrust as a business entity has not suffered emotional or physical impact associated with the insurance fraud committed by the defendants in the above referenced matters. AmTrust has however, sustained monetary damages through the payment of WC insurance payments to bogus claimants involved in a staged slip and fall scheme. AmTrust's insurance company subsidiaries including Security National Insurance Co., Wesco Insurance Co., Associated Industries Insurance Co., and Technology Insurance Company, as set forth in more detail below, paid over \$1m to individuals who were not entitled to WC benefits as the claims were fraudulent.

Insurance fraud imposes significant financial costs on individual, businesses, and society. Insurance fraud comes in many different forms, from simple submission of an inflated claims for payment to complex capping schemes. WC insurance is particularly susceptible to additional forms of fraud which include fraudulent medical billing, deliberate misclassifying of employees and paying employees "off the books" (the latter two forms of fraud seek to suppress WC premiums). Insurance fraud is widespread, and the amount of fraud being committed is growing. The National Coalition Against Insurance Fraud estimates the cost of insurance fraud to the insurance industry is upward of \$80 billion a year in the U.S. alone. The National Insurance Crime Bureau reported that WC insurance fraud costs between \$7 and \$30 billion annually and WC fraud is the fastest growing segment of insurance fraud in the U.S. AmTrust, as one of the largest WC providers in the U.S. regularly is victimized by WC fraud in all its various forms. It is important to remember that insurance fraud ultimately cost everyone money because insurance fraud leads to higher premiums. Higher premiums result from insurance companies mutualizing the costs of false claims across future policyholders. Insurance fraud is far from a "victimless" crime.

AmTrust's damages broken down by fraudulent claim, are as follows:

Jean Fouangoup 1484898-1 \$15,000

Jenny Cox 2061148-1 \$150,000

Lamonte Shannon 2701698-1 \$40,000

Odane Stewartson 2253626-1 \$50,000

Terrance Erving 1488888-1 \$85,000



AmTrust North America
An AmTrust Financial Company

Green, Shirleen 2025834-1 \$70,000

Daniels, Kelvis 1933956-1 \$65,000

Butler, Ahmad 2246543-1 \$150,000

Duclervil, Juan 2273098-1 \$175,000

Tucker, Clarence 2859107-1 \$80,000

Todd Graves 2009651-1 \$175,000

Total: \$1,055,000.00

AmTrust is requesting restitution in the full amount.

Respectfully,

Mary Ellen Stallone

Mary Ellen Stallone RN CCM

Medical Fraud Investigator